

TAALERI PLC
HALF YEAR

Financial Report
2016



OUR PASSION

Ownership
IS FOR EVERYONE.

TAALERI

VALUE DRIVERS

**Increasing of
shareholder
value**

Organic growth

**Sound financial
position and
excellence in
profitability**

**Opportunistic
view on
enhancing
business**

**Ascending
dividend**

RESULT IN BRIEF

- Income grew by 12.4 percent to 33.7 mill. euro
- Adjusted operating profit 11.7 mill. euro on the previous year's level (11.8). Profit margin 34.9 percent.
- Sale of Biotehdas biogas plant chain to Gasum
- Sale of Finsilva to pension fund Etera on 48 mill. Euro
- Joint investment of 75 mill. euro by Taaleri's wind power fund and energy company Loiste
- Other events during the period
 - Combination of share series
 - Share listing main market of Helsinki Stock Exchange
 - Acquisition of minority interest of Taaleri private equity funds company
 - Acquisition of 40 percent interest of stock analysis company Inderes
 - Set up of energy company and energy business segment as of 1 July 2016

TAALERI, FINANCIAL RESULTS H1 2016

TAALERI	H1 2016	H1 2015	Change %	FY 2015
Million euro	IFRS	IFRS		
Income	33.7	30.0	12.4 %	58.4
Adjusted income*	33.7	30.0	12.4 %	58.4
Expenses	-22.0	-19.4	13.5 %	-39.8
Operating profit	11.7	39.1	-70.0 %	47.4
Adjusted operating profit*	11.7	11.8	-1 %	20.1
Profit for the period	9.2	37.2	-75 %	44.1
Adjusted profit for the period*	9.2	9.9	-7 %	16.8
Return on equity (ROE), %	19.9	116.1		65.3
Adjusted return on equity, %*	19.9	30.8		24.9
Assets under management, billion euro	4.2	3.9	7.8 %	3.9

*) In the adjusted key figures, the impact of EUR 27.3 million resulting from the Garantia acquisition has been deducted in 2015 figures.

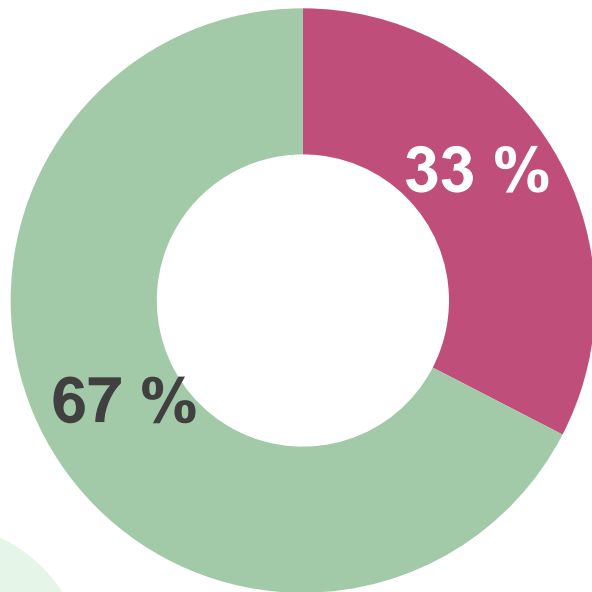
TAALERI CONSOLIDATED BALANCE SHEET, IFRS

Assets, EUR 1 000	30 June 2016	30 June 2015	31.12.2015
Receivables from credit institutions	21 724	23 543	27 983
Receivables from the public and general government	6 911	9 244	9 416
Debt securities	1 503	0	1 541
Shares and units	5 936	46 038	45 154
Participating interests	4 129	2 712	2 958
Insurance assets	119 999	114 487	116 715
Intangible assets	2 688	2 144	2 369
Tangible assets	589	606	546
Other assets	4 596	4 282	4 877
Accrued income and prepayments	6 941	4 545	4 956
Deferred tax assets	347	160	249
	175 363	207 761	216 764

Liabilities, EUR 1 000	30 June 2016	30 June 2015	
LIABILITIES	88 116	117 564	119 704
Liabilities to credit institutions	14 446	14 936	14 939
Liabilities to the public and general government	-	30 250	30 250
Debt securities issued to the public	29 967	29 829	29 946
Insurance liabilities	14 014	12 893	13 071
Other liabilities	2 248	2 055	3 583
Accrued expenses and deferred income	11 210	10 036	10 186
Deferred tax liabilities	16 231	17 565	17 729
EQUITY CAPITAL	87 246	90 197	97 060
	175 363	207 761	216 764

FINANCIAL STRUCTURE AND MATURITY ANALYSIS

FINANCIAL STRUCTURE



■ Bank loans ■ Bonds

MATURITY ANALYSIS

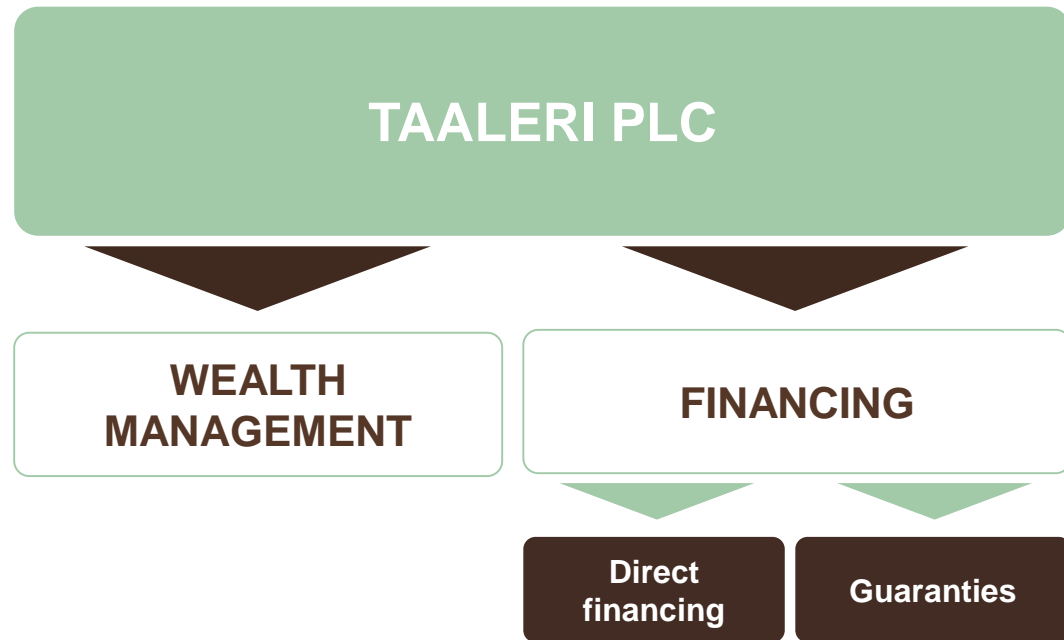


KEY FIGURES OF THE GROUP

KEY FIGURES	H1 2016	H1 2015	FY 2015
Earnings per share, EUR	0.32	1.35	1.53
Adjusted* earnings per share, EUR	0.32	0.35	0.55
Adjusted*return on equity % (ROE)	19.9	30.8	24.9
Adjusted*return on equity at fair value % (ROE)	20.1	17.4	18.2
Adjusted* return on assets % (ROA)	9.4	10.9	9.1
Cost/income ratio, %	65.4	64.8	67.5
P/E, EUR	13.6	2.9	5.5
Number of employees, avg.	174	177	175
Equity ratio, %	49.8	43.4	44.8
Equity per share, EUR	3.07	3.18	3.35
Investments, EUR	129.2	157.8	163.7
Total assets, EUR	175.4	207.8	216.8
Gearing, %	26.0	57.1	48.6
Share closing price,	8.77	7.90	8.38
Market capitalization, million euro	248.2	223.6	237.2

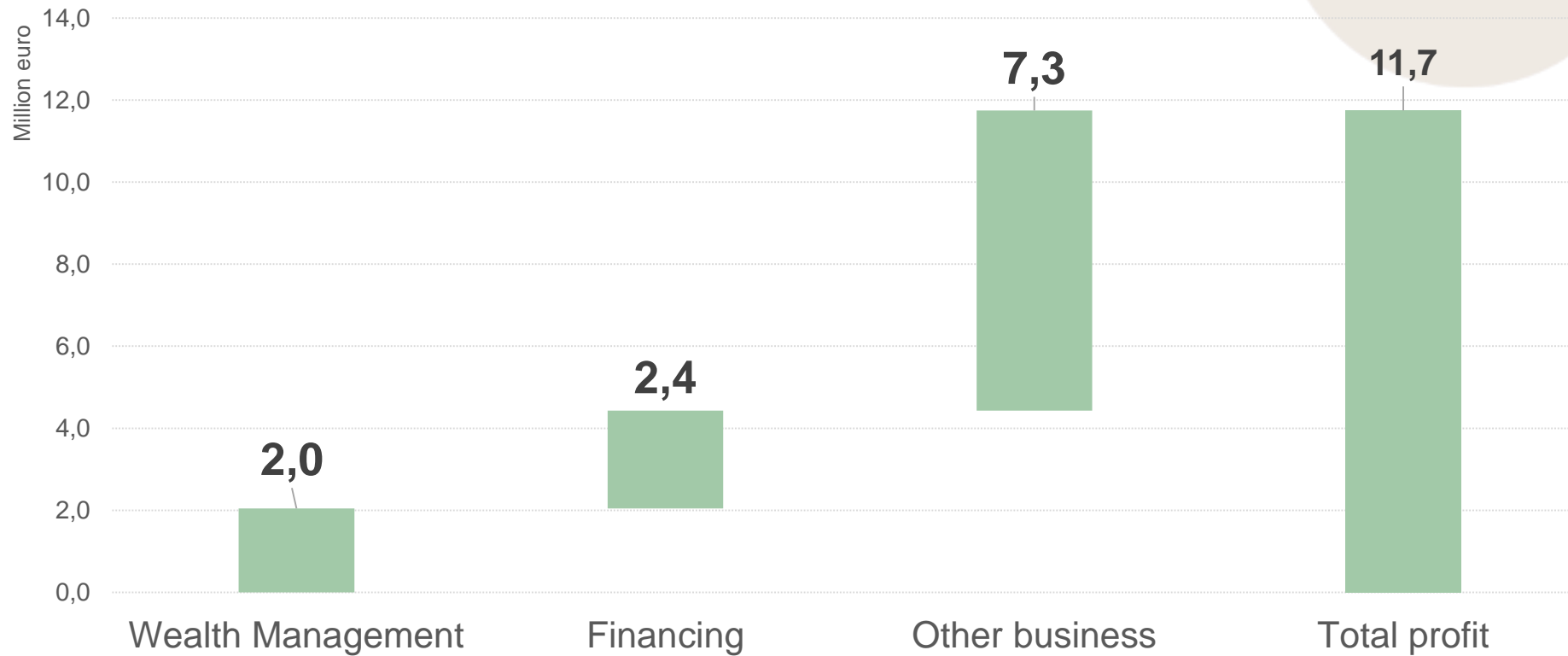
*) In the adjusted key figures, the impact of EUR 27.3 million resulting from the Garantia acquisition has been deducted in 2015 figures.

TAALERI'S STRUCTURE



Taaleri had two business segments:
Wealth management and Financing.

OPERATING PROFIT BY SEGMENTS H1 2016





WEALTH MANAGEMENT SEGMENT

H1 2016

TAALERI

WEALTH MANAGEMENT SEGMENT H1 2016

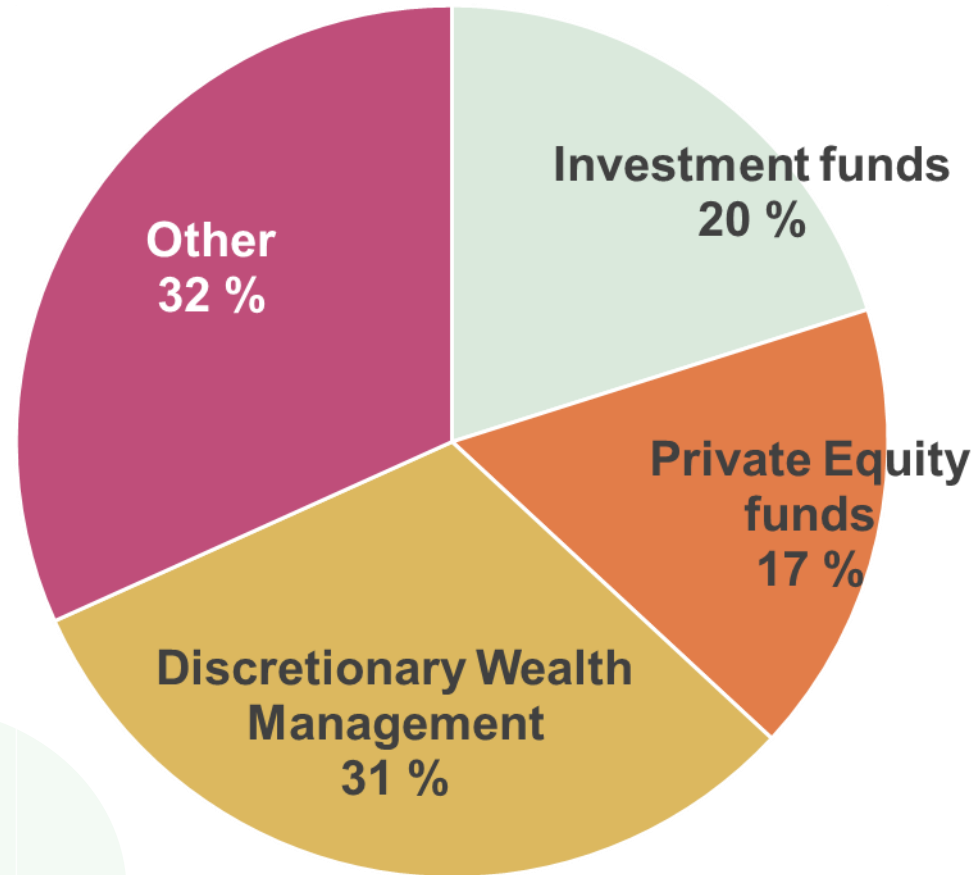
- Wealth Management segment consists of Taaleri Wealth Management Ltd. and its subsidiaries as well as Taaleri Private Equity Funds Ltd. And its subsidiaries
- Number of customers grew during the first half by 500 to 3 600
- Compared with the year end 2015, assets under management have grown by 8.5 percent to 4 104 mill. euro
- In March, world's first private equity fund focusing on circular economy was opened
- In June, the third wind power fund was opened
- Ratings of Taaleri's best performing funds
 - Taaleri Allokaatio 25 *****
 - Taaleri Allokaatio 50 A ****
 - Taaleri Fixed Income Allocation fund ****
 - Taaleri Optimal Allocation ****

WEALTH MANAGEMENT – INCOME AND RESULT

Wealth Management External fees	H1 2016	H1 2015	CHANGE %	FY 2015
million euro				
Wealth management fees	13.8	15.7	-12.1 %	28.8
Performance fees	3.8	1.0	288.2 %	4.5
Sales profits	-	2.4	-100.0 %	6.1
Total income	17.6	19.0	-7.7 %	39.4
Operating profit	2.0	4.9	-57.9 %	9.8
Number of employees, avg.	132	128	2.9 %	131

Managed assets, Wealth Management	H1 2016	H1 2015	CHANGE %	FY 2015
million euros				
Assets under management	4 104	3 808	7.8 %	3 784
Investment funds	825	889	-7.2 %	850
Private equity funds	690	482	43.2 %	623
Discretionary wealth management	1 287	1 269	1.4 %	1 260
Other	1 303	1 168	11.6 %	1 052

ASSETS UNDER MANAGEMENT IN WEALTH MANAGEMENT SEGMENT





FINANCING SEGMENT

H12016

TAALERI

GARANTIA – STABILIZING OWNERSHIP

5.5 M€

EARNED PREMIUMS
30 JUNE 2016

1.228 Bn €

GUARANTEE INSURANCE BASE
30 JUNE 2016

96.4 M€

OWN BASIC ASSETS
30 JUNE 2016

501%

SOLVENCY RATIO
30 JUNE 2016

58.4%

COMBINED RATION
30 JUNE 2016

A-

CREDIT RATING,
STANDARD&POORS



GARANTIA

OMISTAMISEN TUKENA

Garantia is a Finnish growth company operating in the finance sector and specialising in guaranty services. We are part of the Taaleri Group which drives and advocates Finnish ownership. Garantia makes investments and deals happen and enables the accumulation of wealth. Our solutions help to secure financing and improve capital efficiency.

FINANCING SEGMENT H1 2016

- The segment consists of Garantia Insurance Company Ltd as of 31 March 2015 and Taaleri's associated company Fellow Finance Ltd as of 26 May 2015
- The most significant income items of the segment are premiums earned from guaranty insurances and investment income
- The most significant risks of guaranty insurance business respectively are credit risks and the market risks of the investment assets

FINANCING	H1 2016	H1 2015*
million euro		
Net income from insurance operations	4.2	2.6
Net income from investment operations	1.6	4.5
Other income	0.0	0.7
Total	5.8	7.8
Adjusted operating profit before valuations	2.4	5.7
Adjusted operating profit at fair value before tax	2.5	0.5
Average personnel	23	25
	30.6.2016	31.12.2015
million euro		
Investment assets, fair values	117.6	114.1
Guaranty base	1 228	1 164

*From 1.4.2015

GARANTIA KEY FIGURES, FAS

Million euro	H1 2016	H1 2015	CHANGE %
Premiums written	5.5	4.5	22 %
Other items *	-1.1	0.4	-402 %
Premiums earned	4.4	4.8	-10 %
Claims incurred	-0.4	-0.3	36 %
Operating expenses	-2.1	-2.4	-12 %
Balance on technical account before changes in the equalization provision	1.8	2.1	-13 %
Change in the equalization provision **	0.4	-2.4	
Balance on technical account	2.2	-0.3	
Investment income and expenses, net	1.3	6.9	-81 %
Earnings before tax	3.5	6.6	-46 %
Combined ratio, %	58 %	57 %	
Return on investments at fair value, %	1.5 %	3.7 %	
Solvency ratio (S2), % ***	501 %	n/a	

* Reinsurers share of premiums written, change in provision for unearned premiums and reinsurers' share of change in provision for unearned premiums.

** Regulations on the equalization provision were changed by the amended Insurance Companies Act that came into force on 1 January 2016. The equalization provision presented above is an estimate of the equalization provision as per the new regulations. The estimate is based on an application submitted by Garantia to the FSA on the new calculation bases for Garantia's equalization provision.

*** The Solvency II regulations were not in force during the 2015 financial year and they do not fall within the sphere of statutory auditing under the Insurance Companies Act that entered into force on 1 January 2016. In April 2016 the FSA further specified the Solvency II regulations, as a result of which the figures provided above, which comply with Solvency II, differ from those published in the 2015 financial statements.

FELLOW FINANCE

2 305 365 915 €
LOANS APPLIED

434 130
PROCESSED APPLICATIONS
FOR LOANS

70 000 000 €
LOANS GRANTED

711 258
INVESTMENTS INTO LOANS

INVESTORS FROM
35 countries

Over 400%
ANNUAL GROWTH OF NUMBER
OF CUSTOMERS

11.5%
p.a.
PROFIT TO
INVESTORS



FELLOW FINANCE

Fellow Finance Plc is founded in 2013 to offer high-quality and secure online marketplace services in Europe. Despite of the young age of the company, Fellow Finance is already the biggest marketplace lending platform in Northern Europe. Fellow Finance is also the first crowdfunding platform in the Euro area serving both consumers and businesses.



OTHER BUSINESS

H12016

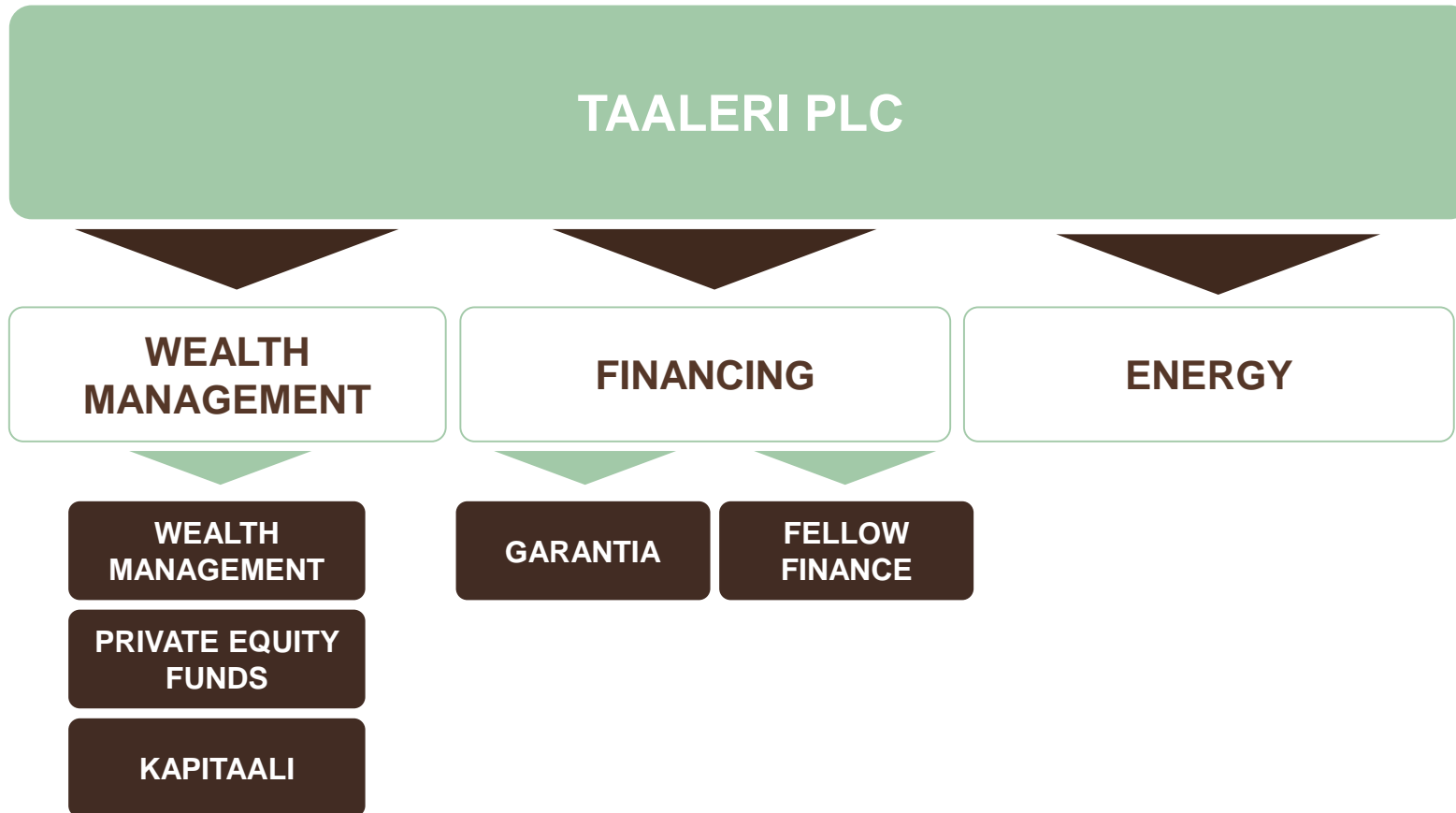
TAALERI

OTHER BUSINESS

- Other business operations include the Group administration services of Taaleri Plc and the investments on the Group's own balance sheet, which are implemented through Taaleri Investments Ltd.
- Sale of Finsilva to pension fund Etera on 48 mill. euro

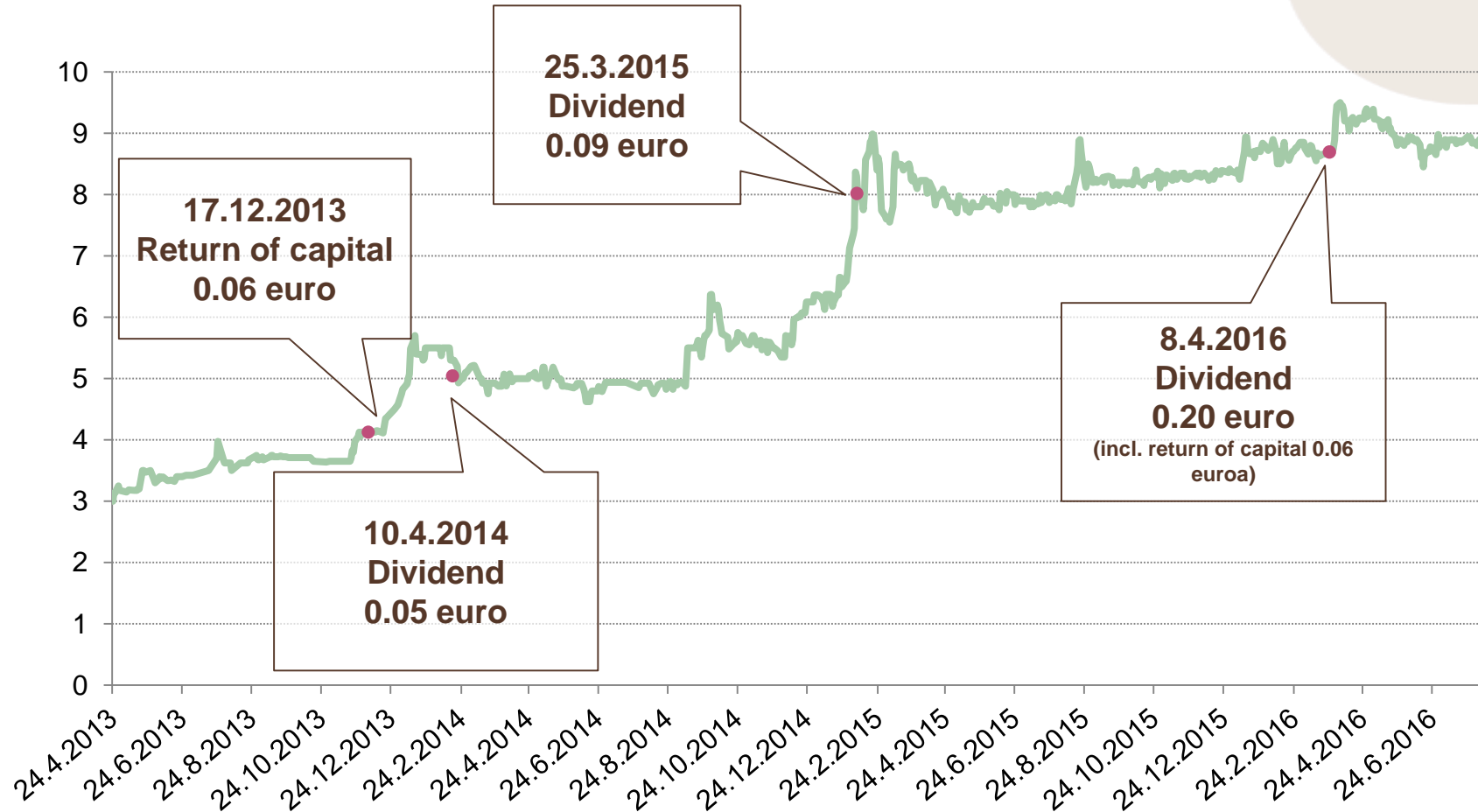
OTHER BUSINESS	H1 2016	H1 2015	Change %
Million euro			
Income	10.4	3.2	226 %
Operating profit	7.3	1.0	632 %
Number of employees, avg.	21	25	-15.2 %
	H1 2016	31 DEC 2015	Change %
Million euro			
Fair value of investments	10.9	49.3	-77.8 %

TAALERI'S NEW STRUCTURE 1 JULY 2016



As of July 2016 three business segments:
Wealth Management, Financing, Energy

TALERI SHARE DEVELOPMENT



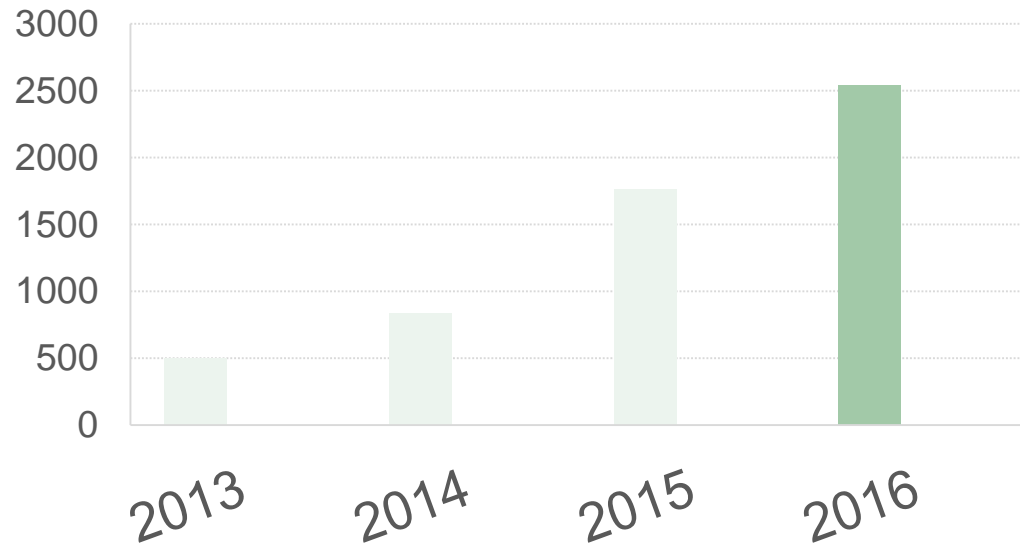
Shareprice
30 JUNE 2016:
8.77€

Owners
30 JUNE 2016:
2 537

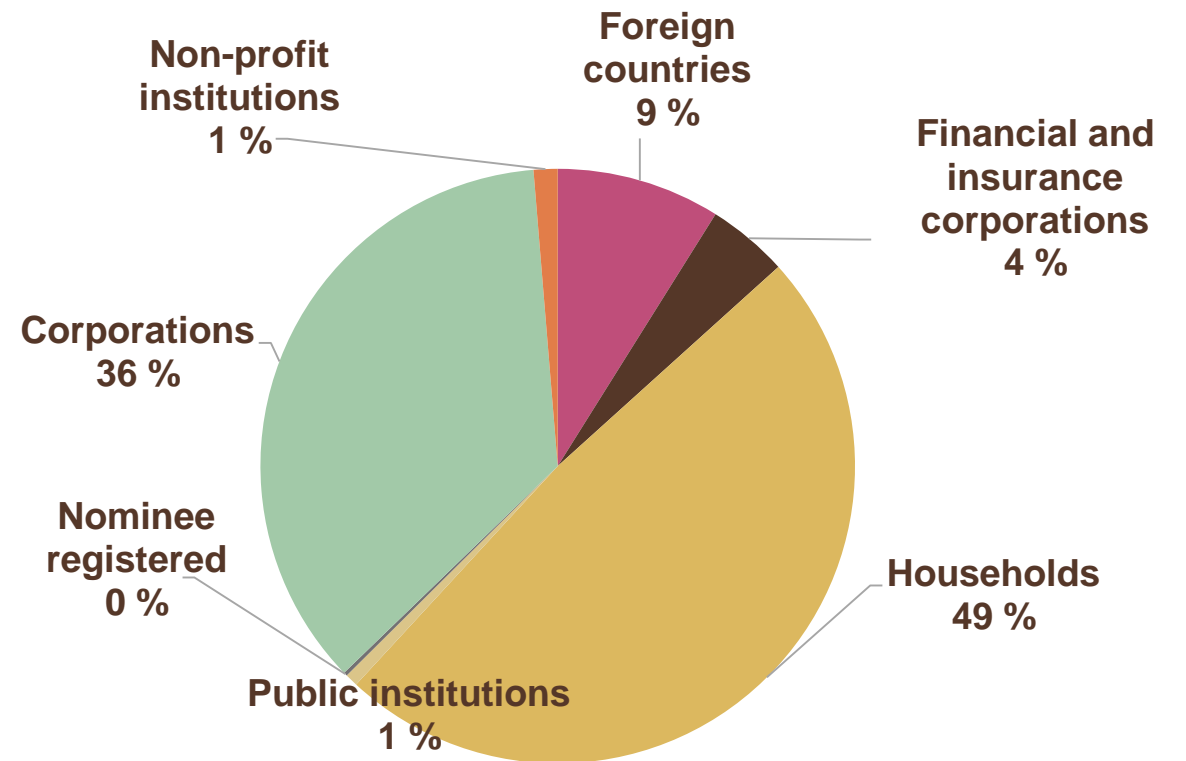
Market cap
30 JUNE 2016:
248 M€

TAALA SHARE HOLDERS

OWNERS



MAJOR SHAREHOLDERS





GROUP STRATEGY

H12016

TAALERI

FINANCIAL OBJECTIVES AND OUTLOOK

- Taaleri's objectives are an equity ratio of more than 30 percent and operating profit of at least 15 percent. Long term objectives for the return on equity is to exceed 15 percent.
- In addition, the company aims to increase the amount of dividend distributed, and each year to distribute a competitive dividend, taking into consideration the company's situation and financial circumstances.
- Despite the challenging economic environment, our goal is controlled profitable growth, and we expect that the company's financial targets will be met in 2016.





TAALERI